



Renewable Energy/Energy Efficiency Program

FULL Application Review Checklist

USDA-Rural Development - Section 9006 Full Application Review Checklist

Federal Catalog # 10.775

This program is targeted to Agriculture Producers and Rural Small Businesses.

Applicant Name _____

Applicant Address _____

Name of Project _____

Location of Project _____

Type of Project _____ *Renewable Energy System*
(A system that **produces or produces and delivers** usable energy from a renewable energy source.)
_____ *Energy Efficiency Improvement*
(Improvements to facility, building, or process that **reduces** energy consumption)

Grant Request _____

Project Description _____

A Full Application project has total eligible project costs **exceeding** \$200,000.

Therefore, the grant request would exceed \$50,000.

There are 6 questions to be answered:

1. ***Is the applicant eligible?***
2. ***Is the project eligible?***
3. ***Is the application complete?***
4. ***Does the project meet funding requirements?***
5. ***Did the technical report pass or fail?***
6. ***How does the application score (national competition)?***

Separate applications must be submitted for renewable energy system and energy efficiency improvement projects. Only one application per each type of project per applicant per fiscal year may be submitted.

This document is used by Rural Development Staff to review renewable energy and energy efficiency grant applications and provide the agency documentation necessary for the borrower file.

4280.112 – Evaluation of Grant Applications

(a) General review – The Agency will evaluate each application and make determination as to whether the applicant is eligible, the proposed grant is for an eligible project, and the proposed grant complies with all applicable statutes and regulations.

(b) If either the applicant or the project is **ineligible**, the Agency will inform the applicant in writing of the decision, reasons therefore, and any appeal rights, and no further evaluation of the application will occur.

(c) If the application is **incomplete**, the Agency will return it to the applicant to provide the applicant the opportunity to resubmit the application. The Agency will identify those parts of the application that are incomplete. Upon receipt of a complete application, the Agency will complete its evaluation of the application.

(d) The Agency's determination of a **project's technical merit** is based on the information provided by the applicant. The Agency may engage the services of other government agencies or other recognized industry experts in the applicable technology field, at its discretion, to evaluate the application and rate the application. The Agency may use this evaluation and rating to determine the level of technical merit of the proposed project. Projects that the Agency determines are without technical merit shall be deemed ineligible.

Is the Application Complete? 4280.111

Was the document submitted and/or the requirement met?	<p>Separate applications must be submitted for renewable energy system and energy efficiency improvement projects. Applicants may only submit one application for each type of project per fiscal year.</p> <p>An original and 1 copy of the application submitted that follows the outline below.</p> <p>(2) A detailed table of contents in the order presented below with clear pagination and chapter identification. The table of contents will include page numbers for each component of the proposal. Begin pagination immediately following the Table of Contents.</p> <p>(1) Forms, Certifications, and Organizational Documents – Is there a DUNS # and/or a FED ID #?</p> <p>(i) Project specific forms:</p> <p>(A) SF 424 – Application For Federal Assistance</p> <p>(B) SF 424-C Budget Information – Construction Programs A more detailed budget breakdown is requested in the technical report.</p> <p>(C) SF 424-D Assurances – Construction Programs</p> <p>(D) 1940-20 Request for Environmental Information</p> <p>(ii) Certifications:</p> <p>(A) AD 1049 Certification Regarding Drug Free Workplace Requirements (Grants) Alternative 1 – “For Grantees other than Individuals.”</p> <p>(B) AD 1048 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tiered Covered Transactions</p> <p>(C) Exh. A-1 of 1940-Q Certification for Contracts, Grants and Loans - if the grant exceeds \$100,000.</p> <p>(D) Form SF-LLL Disclosure of Lobbying Activities, must be completed if the applicant or borrower has made or agreed to make payment using funds other than Federal appropriated funds to influence or attempt to influence a decision in connection with the application.</p> <p>(E) AD 1047 Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions</p> <p>(F) Form 400-1 Equal Opportunity Agreement</p> <p>(G) Form 400-4 Assurance Agreement</p> <p>(H) If applicable, intergovernmental comments in accordance with 7 CFR part 3015, subpart V, of this title.</p> <p>(I) A certification indicating whether or not there is a known relationship or association with an Agency employee.</p> <p>(J) Applicants must provide certification that they meet the definition of demonstrated financial need, as defined in 4280.13. <i>The Agency may request the applicant to provide sufficient information to allow the Agency to make its own determination of the applicant's financial need.</i></p> <p>(iii) Organizational documents. Except for sole proprietors, each applicant must submit with the application a copy of the legal organizational documents.</p> <p>(3) A project summary including:</p> <p>(i) Title. Provide a descriptive title of the project identified in item 11 in SF 424.</p> <p>(ii) Applicant Eligibility 4280.107 (a) (1) through (5), (b)</p> <p>(a) (1) The applicant or borrower must be an agricultural producer or a rural small business.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p><i>An agricultural producer is an individual or entity directly engaged in the production of agricultural products, including crops (including farming); Livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50% or greater of their gross income is derived from the operations.</i></p> </div> <p>Is there a Fed tax ID #? _____ Is there evidence provided that more than 50% of income is from the agriculture operation? _____ (Page 1 of previous year income tax return + Schedule F)</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p><i>An entity is considered a small business in accordance with the Small Business Administrations (SBA) small business size standards by NAICS found in Title 13 CFR part 121. A private entity including a sole proprietorship, partnership, corporation, cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code), and an electric utility including a Tribal or governmental electric utility that provides service to rural consumers on a cost of service basis without support from public funds or subsidy from the government authority establishing the district, provided such utilities meet SBA's definition of small business. These entities must operate independent of direct Government control. With the exception of the entities described above, all other non-profit entities are excluded.</i></p> </div> <p>SBA small size standards can be found at http://sba.gov/size/index.html Does the applicant meet the definition of small business? _____ If there a Fed Tax ID #? _____ NAICS Code for business type _____ Is the entity listed in the Secretary of State's database? _____ NAICS Code limitations _____</p> <p>(2) Individuals must be a citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence. Is there a statement regarding their citizenship status? _____</p>
Included in Guide 5	
Included in Guide 5	
Included in Guide 5	

Is the Application Complete (cont'd)?

Was the document submitted and/or the requirement met?

(ii) Applicant Eligibility (cont'd) 4280.107

- (3) Entities must be at least **51% owned**, directly or indirectly, by individuals who are either **citizens of the U.S.** or reside in the U.S. after being legally admitted for permanent residence.
Is there a statement regarding their citizenship status? _____

- (4) Applicants and owners will be ineligible to receive funds under this subpart –

(i) If an applicant or owner that has an outstanding judgment obtained by the U.S. in a **Federal court (other than in the U.S. Tax Court)**, is **delinquent** in paying **Federal income taxes**, or is delinquent on a **federal debt**, the applicant is not eligible to receive a grant, direct loan, or guaranteed loan until the judgment is paid in full or otherwise satisfied or the delinquency is resolved.

(ii) If an applicant has been debarred from receiving Federal assistance, the applicant is not eligible to receive a grant, direct loan, or guaranteed loan under this subpart.

Check CAIVRS _____, 1940-M _____, and Excluded Parties _____ for answer.

Has the applicant or owner addressed the above issues in their application? _____

- (5) The grant applicant must have **demonstrated financial need**.

Definition -The demonstration by an applicant that the applicant is unable to finance the project from its own and commercially available resources without grant assistance, or that the project proposed by the applicant cannot achieve the income and cash flows to sustain it financially over the long term without grant assistance.

Has the applicant stated in writing financial need? To what extent have they used their own resources? Is there a letter from a lender? _____

- (b) An applicant that has received one or more grants and/or loans under this program must make satisfactory progress, as determined by the Agency, toward completion of any previously funded projects before it will be considered for subsequent funding.

Has the applicant indicated whether previous grants or loans have been received? _____

Have you checked to see if the applicant has received a grant before? _____

If the answer is yes, have they made satisfactory progress to be considered for this round of funding? _____

4280.107 - The applicant is _____ eligible _____ not eligible.

Reviewer _____ Date _____

(iii) Project eligibility 4280.108 – Describe how each criteria (a) through (g) is met.

- (a) The project must be for the purchase of a renewable energy system or to make energy efficiency improvements.

Clearly state whether the application is for the purchase of a renewable energy system or make energy efficiency improvements. _____

Response must include a brief description of the system or improvement. _____

This description must be sufficient to provide the reader with a frame of reference when reviewing the rest of the application. Additional project description information may be needed later in the application.

- (b) The project must be for a pre-commercial or commercially available, and replicable technology.

Is there information presented to support this? _____

Pre-commercial technology – Technologies that have emerged through the research and development process and have technical and economic potential for commercial application, but are not yet commercially available.

Commercially available - A system that has a proven operating history specific to the proposed application. Such a system is based on established design, and installation procedures and practice. Professional service providers, trades, large construction equipment providers, and labor are familiar with installation procedures and practices. Proprietary and balance of system equipment and spare parts are readily available. Service is readily available to properly maintain and operate system. An established warranty exists for parts, labor, and performance.

Is the Application Complete (cont'd)?

Was the document submitted and/or the requirement met?

(iii) Project Eligibility 4280.108 (cont'd)

- (c) The project must have technical merit, as determined using the procedures specified in 4280.112(d).

In your opinion, does the project have technical merit? _____
Keep in mind that the final decision will be NREL's.

- (d) The project must be located in a rural area, as defined in 4280.103

Definition of rural: Any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census of the U.S.

Project in _____ 2000 pop. census _____
In an urbanized area? _____

- (e) The applicant must be the owner of the project and control the revenues and expenses of the project, including the operation and maintenance. A third party under contract to the owner may be used to control revenues and expenses and manage the operation and/or maintenance of the project. Is there an explanation of the required information listed above? _____

- (f) Sites must be controlled by the agricultural producer or small business for the financing term of any associated Federal loans or loan guarantees.

Is there documentation to support this? _____

- (g) Satisfactory sources of revenue in an amount sufficient to provide for the operation, management, maintenance, and debt service of the project must be available for the life of the project.

Is there documentation to support this? _____

4280.108 The project is _____ eligible _____ not eligible.

Reviewer _____ Date _____

(iv) Operation description - Describe the applicant's total farm/ranch/business operation and the relationship of the proposed project to the applicant's total farm/ranch/business operation. Provide a description of the ownership of the applicant, including a list of individuals and/or entities with ownership interest, names of any corporate parents, affiliates, and subsidiaries, as well as a description of the relationship, including products, between these entities.

(v) Financial Information for size determination– Provide financial information to allow the Agency to determine the applicant's size. All information submitted under this paragraph must be substantiated by authoritative records.

- (A) Rural small businesses** must provide sufficient information to determine total annual receipts for and number of employees of the business and any parent, subsidiary, or affiliates at other locations. Voluntarily providing tax returns is one means of satisfying this requirement. The information provided must be sufficient for the Agency to make a determination of business size as defined by SBA.

Total Annual Receipts – The total income or gross income (sole proprietorship) plus cost of goods sold.

- (B) Agricultural producers:** Provide the gross market value of your agricultural products, gross agricultural income, and gross non-farm income of the applicant for the calendar year preceding the year in which you submit your application. (Page 1 of previous year tax return + Schedule F)

Is the Application Complete (cont'd)?

Was the document submitted and/or the requirement met?

(4) Financial Information – Financial information is required on the total operation of the agricultural producer/rural small business and its parent, subsidiary, or affiliates at other locations. All information submitted under this paragraph must be substantiated by authoritative records.

- (i) Historical financial statements** prepared in accordance with Generally Accepted Accounting Practices (GAAP) for the past 3 years, including income statements and balance sheets. If agricultural producers are unable to present this information in accordance with GAAP, they may instead present financial information for the past years in the format that is generally required by commercial agriculture lenders.
- (ii) Current balance sheet and income statement** – Provide a current balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) and dated within 90 days of the application. Agricultural producers should present financial information in the format that is generally required by commercial agriculture lenders.
- (iii) Pro Forma balance sheet** – Provide pro forma balance sheet at startup of the agricultural producer's/rural small business' business that reflects the use of the loan proceeds or grant award; and 3 additional years, indicating the necessary start-up capital, operating capital, and short-term credit; and projected cash flow and income statements for 3 years supported by a list of assumptions showing the basis for the projections.
- (iv) Demonstration of Financial Need** – Provide sufficient information or documentation that allows the Agency to make its own determination of the applicant's financial need.

(5) Matching funds documentation – Submit a **spreadsheet** identifying **sources of matching funds, amounts and status** of matching funds. The spreadsheet will also include a directory of matching funds source contact information. **Attach** any applications, correspondence, or other written communication between applicant and matching fund source.

Without specific statutory authority, other Federal grant awards and applicant in-kind contributions cannot be used to meet the matching fund requirement. Third-party, in-kind contributions are limited to 10% of the matching fund requirement of the grant. The Agency will advise if the third-party, in-kind contributions are acceptable in accordance with 7 CFR part 3015.

Passive third party equity contributions are acceptable for renewable energy system projects, including those that are eligible for Federal production tax credits, provided the applicant meets the requirements of Section 4280.107 (applicant eligibility).

(6) Self Evaluation Score – Self-score the project using the evaluation criteria 4280.112 (e). To justify the score, submit the total score along with appropriate calculations and attached documentation, or specific cross- references to information elsewhere in the application.

Use Appendix C to 4280-B or Guide 4– Scoring Guideline to complete the evaluation.

For Each Energy Efficiency Project

ENERGY ASSESSMENT OR ENERGY AUDIT 4280.111(b)(7)(ii)(B)

Either an energy assessment or an energy audit is required for energy efficiency improvement projects. For energy efficiency improvement projects with total eligible project costs greater than \$50,000, **an energy audit must be conducted by or reviewed and certified by an energy auditor.** For energy efficiency improvement projects with total eligible project costs of \$50,000 or less, an energy assessment or an energy audit may be conducted by either an energy assessor or an energy auditor.

Energy assessment – a report conducted by an experienced energy assessor, certified energy manager or professional engineer assessing energy cost and efficiency by analyzing energy bills and briefly surveying the target building, machinery or system. The report identifies and provides a savings and cost analysis of low-cost/no-cost measures. The report will estimate the overall costs and expected energy savings from these improvements, and dollars saved per year. The report will estimate weighted-average payback period in years.

Energy audit – A report conducted by a Certified Energy Manager or Professional Engineer that focuses on potential capital-intensive projects and involves detailed gathering of field data and engineering analysis. The report will provide detailed project cost and savings information with a high level of confidence sufficient for major capital investment decisions. It will estimate costs, expected energy savings from the subject improvements, and dollars saved per year. The report will estimate weighted-average payback period in years.

Is the Application Complete (cont'd)?

Was the document submitted and/or the requirement met?													
For All projects	<p>(7) TECHNICAL REPORT must be prepared in accordance with Appendix B of this subpart. Required for renewable energy and energy efficiency <u>projects with total eligible project costs EXCEEDING \$200,000</u>.</p> <p>(a) The Technical report must demonstrate that the renewable energy system or energy efficiency improvement project can be installed and perform as intended in a reliable, safe, cost effective, and legally compliant manner.</p> <p>(b) An energy assessment or energy audit is required for all energy efficiency projects (see previous page).</p> <p>(c) The services of a professional engineer (P.E.) or team of licensed PE's are required</p> <ul style="list-style-type: none">- on renewable energy projects with total eligible projects costs exceeding \$400,000.- and for energy efficiency projects with total eligible project costs exceeding \$200,000. <p>Services include a design review, installation monitoring, testing prior to commercial operation and project completion certification.</p> <p>(d) Projects exceeding total eligible costs of \$1,200,000, the technical report must be reviewed and include an opinion and recommendation by an independent qualified consultant.</p> <p>(e) Technical Reports prepared prior to the applicant's selection of a final design, equipment vendor, or prime contractor, or other significant decision may be modified and resubmitted to the Agency, provided the overall scope of the project is not materially changed as determined by the Agency. Changes in the Technical Report must be accompanied by an updated form RD 1940-20.</p> <p>(f) All information provided in the Technical Report will be evaluated against the requirements provided in Appendix B of this subpart. Any Technical Report not prepared in the following format and in accordance with Appendix B, where applicable, will be penalized under scoring for technical merit.</p> <p>(g) All Technical Reports shall follow the outline presented below and shall contain the information described in 1-10 (below).</p> <p>If none of the technical reports in Appendix B apply to the proposed technology, the applicant may submit a Technical Report that conforms to the overall outline and subjects specified in 1-10 (below).</p> <p>For Technical Reports prepared for technologies not identified in Appendix B, the Agency will review the reports and notify, in writing, the applicant of the changes to the report required in order for the Agency to accept the report.</p>												
	<p>A Technical report not prepared in the following format and the guidance documents will be penalized under Scoring for technical merit.</p> <table><tr><td>(1) Qualifications of the project team</td><td>(5) Project Development</td><td>(9) Operations and Maintenance</td></tr><tr><td>(2) Agreements and Permits</td><td>(6) Project Economic Assessment</td><td>(10) Dismantling and disposal of project components</td></tr><tr><td>(3) Energy/Resource Assessment</td><td>(7) Equipment Procurement</td><td></td></tr><tr><td>(4) Design and engineering</td><td>(8) Equipment Installation</td><td></td></tr></table>	(1) Qualifications of the project team	(5) Project Development	(9) Operations and Maintenance	(2) Agreements and Permits	(6) Project Economic Assessment	(10) Dismantling and disposal of project components	(3) Energy/Resource Assessment	(7) Equipment Procurement		(4) Design and engineering	(8) Equipment Installation	
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(4) Design and engineering	(8) Equipment Installation												
For Each Renewable Energy Project	<p>(8) Business-level feasibility study for renewable energy systems</p>												
	<p>For each application for a renewable energy system project, with total eligible project costs <u>greater than \$200,000</u>, a business-level feasibility study by an independent qualified consultant will be required by the Agency for start-up businesses or existing businesses when the project will significantly affect the applicant's operations.</p> <p>An acceptable business-level feasibility study must at least include an evaluation of economic, market, technical, financial, and management feasibility.</p>												

The application is _____ complete _____ not complete.

Comments:

Reviewer _____ Date _____

Does the Project meet Funding Requirements?

Funds may be used only for certain specified project costs, provided these costs are an integral and necessary part of the total project.

Is the proposal for eligible project costs?	<p>4280.110</p> <p>(a) The grant cannot exceed 25% of total eligible project costs.</p> <p>(b) The applicant is responsible to secure the remainder of the total eligible project costs not covered (75%) by grant funds. The amount secured by the applicant must be the remainder of total eligible project costs.</p> <p>(1) Without specific statutory authority, other Federal grant funds and applicant in-kind contributions cannot be used to meet the matching fund requirement. Third-party, in-kind contributions are limited to 10% of the matching fund requirement of the grant (or 10% of the 75% match). The Agency will advise if the proposed third-party, in-kind contributions are acceptable in accordance with 7 CFR part 3015 of this title.</p> <p>(2) Passive third-party equity contributions are acceptable for renewable energy system projects, including those that are eligible for Federal production tax credits, provided the applicant meets the requirements of 4280.107 (Applicant eligibility).</p> <p>(c) Eligible project costs are only those costs associated with the items identified in paragraphs 1-9 below, as long as the items are an integral and necessary part of the renewable energy system or energy efficiency improvement.</p>
\$	(1) Post application purchase and installation of equipment (new, refurbished, or remanufactured), except agricultural tillage equipment, used equipment and vehicles.
\$	(2) Post application construction or project improvements, except residential.
\$	(3) Energy audits or assessments
\$	(4) Permit and license fees
\$	(5) Professional service fees, except for application preparation
\$	(6) Feasibility studies and Technical Reports
\$	(7) Business plans
\$	(8) Retrofitting
\$	(9) Construction of a new energy efficient facility only when the facility is used for the same purpose; is approximately the same size; and based on the energy audit, will provide more energy savings than improving an existing facility. Only costs identified in the energy audit for energy efficiency improvements are allowed.
\$	TOTAL ELIGIBLE COSTS

\$ _____ Total Project Costs

\$ _____ - Minus Ineligible Project Costs

\$ _____ = Equals **Total Eligible Project Costs X 25% = \$ _____ = Maximum Grant**

Compared to Grant Request of \$ _____

\$ _____ Total eligible project costs minus \$ _____ grant = \$ _____ **matching funds required**

The amount of grant funds that will be made available to an eligible project under this subpart will NOT EXCEED 25% of total eligible project costs.	
Minimum grant for energy efficiency	\$1500 for energy efficiency
Maximum grant for energy efficiency	\$250,000
Minimum grant for renewable energy	\$2500 for renewable energy
Maximum grant for renewable energy	\$500,000
Maximum grant for Simplified Application	\$50,000 (total eligible project costs cannot exceed \$200,000)
The maximum amount of grant assistance to one individual or entity will not exceed \$750,000 per fiscal year.	
For those applicants that have not received a grant award during the previous 2 fiscal years, additional points will be added to their priority score.	

The application _____ meets funding requirements _____ **does not meet funding requirements.**

Comments:

Reviewer _____ Date _____

7/14/05

	Yes	No
Question 1 – Is the Applicant Eligible?		
Question 2 – Is the Project Eligible?		
Question 3 – Is the Application Complete?		
Question 4 – Does the Project meet Funding Requirements?		
Question 5 – Did the technical requirements report pass? The National Renewable Energy Lab (NREL) makes this determination. What points did they award for the technical merit score and ROI?		
Question 6 – How does the Application Score? This is a nationwide competition. Use the score sheet (with documentation) submitted by the applicant, Use the NREL score for technical merit and return on investment - and Double check and adjust, if necessary, the points for each evaluation criteria to determine the total final points to be awarded.		

Comments:

Reviewer _____ Date _____

Tracking system updated _____ by _____

I _____ recommend _____ do not recommend this project be forwarded to the National Office for consideration of funding.

_____ Date _____

Business-Cooperative Program Manager, Rural Development

4280.105 - Appeals –An adverse decision regarding a grant or direct loan application may be appealed by the applicant only. Any party adversely affected by an Agency decision may request a determination of appealability can be requested from the Director, National Appeals Division, USDA, within 30 days of the adverse decision.

4280.106 – Conflict of interest. No conflict of interest or appearance of a conflict of interest will be allowed. Conflict of interest includes, but is not limited to, distribution or payment of grant, loan, and guaranteed loan funds or award of project contracts to an individual owner, partner, stockholder, or beneficiary of the applicant or borrower or a close relative of such an individual when such individual will retain any portion of the ownership of the applicant or borrower.

4280.113 – Insurance - National flood insurance is required, if applicable. Business interruption insurance is required.

4280.114 – Laws, executive orders and regulations that contain other compliance requirements.

(a) Equal Employment Opportunity – construction contracts and grants in excess of \$10,000, the contractor must comply.

(b) Equal opportunity and nondiscrimination – by the Agency

(c) Civil Rights–ADA, Title VI, Section 504- Recipients-Agency completes 400-8 Compliance Review prior to obligation of funds.

(d) Environmental Assessment completion prior to the obligation of any funds – includes public notifications, site visit by the Agency and applicant not taking any actions or incurring any obligations during the time of application or application review and processing that would either limit the range of alternatives to be considered or that would have an adverse effect on the environment, such as the initiation of construction, will result in project ineligibility.

(e) Civil Rights Impact Analysis Certification 2006-38 – completion by the Agency prior to loan approval, obligation of funds, or LOC.

(f) Uniform Federal Assistance regulations

4280.116 –Grants Requirements

(a) A Letter of Conditions will be prepared by the Agency, establishing conditions that must be understood and agreed to by the applicant before any obligation of funds can occur. The applicant must sign a Letter of Intent to Meet Conditions (RD form 1942-46) and RD form 1940-1 - Request for Obligation of Fund if they accept the conditions of the grant. These forms will be enclosed with the Letter of Conditions. The grant will be obligated when the Agency receives an executed Letter of Intent and Request for Obligation of Funds from the applicant agreeing to all provisions in the Letter of Conditions.

(b) The grantee must sign and abide by all requirements contained in Form 4280-2 "Grant Agreement", and regulations 4280-B.